

AMENDMENT TO H.R. 2895
OFFERED BY MR. FRANK OF MASSACHUSETTS

Page 3, after line 26 insert the following new section (and redesignate succeeding sections and any references to such sections, and conform the table of contents, accordingly):

1 SEC. 293. CONDITIONS ON USE OF FHA SAVINGS.

2 (a) USE.—For each fiscal year, no funds may be
3 made available under paragraph (2) of section 292(b) of
4 this Act unless the amount equal to the net increase for
5 such fiscal year in the negative credit subsidy for the
6 mortgage insurance programs under title II of the Na-
7 tional Housing Act resulting from the Expanding Amer-
8 ican Homeownership Act of 2007, and the amendments
9 made by such Act, is first made available for the following
10 purposes in the following amounts:

11 (1) SINGLE FAMILY HOUSING MORTGAGE IN-
12 SURANCE.—For each fiscal year, for costs (as such
13 term is defined in section 502 of the Federal Credit
14 Reform Act of 1990 (2 U.S.C. 661a)) of mortgage
15 insurance provided pursuant to section 203(b) of the
16 National Housing Act (12 U.S.C. 1709(b)), the ad-
17 ditional amount (not including any costs of such

1 mortgage insurance resulting from this Act or the
2 amendments made by this Act), if any, necessary to
3 ensure that the credit subsidy cost of such mortgage
4 insurance for such fiscal year is \$0.

5 (2) HOUSING COUNSELING.—For each of fiscal
6 years 2008 through 2012, the amount needed to in-
7 crease funding, for the housing counseling program
8 under section 106 of the Housing and Urban Devel-
9 opment Act of 1968 (12 U.S.C. 1701x), in connec-
10 tion with homebuyers and homeowners with mort-
11 gages insured under title II of the National Housing
12 Act, from the amount appropriated for the preceding
13 fiscal year to \$100,000,000.

14 (3) MORTGAGE INSURANCE TECHNOLOGY, PRO-
15 CEDURES, PROCESSES, PROGRAM PERFORMANCE,
16 AND SALARIES.—For each of fiscal years 2008
17 through 2012, \$25,000,000 for increasing funding
18 for the purpose of improving technology, procedures,
19 processes, and program performance, and salaries in
20 connection with the mortgage insurance programs
21 under title II of the National Housing Act.

22 (b) EXCLUSION OF EARNINGS FROM THE SINGLE
23 FAMILY MORTGAGE INSURANCE PROGRAM.—No funds
24 under paragraph (2) of section 292(b) of this Act for a
25 fiscal year may be derived from the negative credit subsidy

1 cost for such fiscal year, if any, for mortgage insurance
2 provided pursuant to section 203(b) of the National Hous-
3 ing Act.

4 (c) CERTIFICATION.—No funds may be made avail-
5 able under paragraph (2) of section 292(b) of this Act for
6 any fiscal year unless the Secretary of Housing and Urban
7 Development has, by rule making in accordance with sec-
8 tion 553 of title 5, United States Code (notwithstanding
9 subsections (a)(2), (b)(B), and (d)(3) of such section),
10 made a determination that premiums being, or to be,
11 charged during such fiscal year for mortgage insurance
12 under title II of the National Housing Act are established
13 at the minimum amount sufficient to comply with the re-
14 quirements of section 205(f) of such Act (relating to re-
15 quired capital ratio for the Mutual Mortgage Insurance
16 Fund) and ensure the safety and soundness of the other
17 mortgage insurance funds under such Act, and any nega-
18 tive credit subsidy for such fiscal year resulting from such
19 mortgage insurance programs adequately ensures the effi-
20 cient delivery and availability of such programs.

21 (d) LIMITATION ON MORTGAGE INSURANCE PRE-
22 MIUM INCREASES.—Notwithstanding any other provision
23 of law—

24 (1) the premiums charged for mortgage insur-
25 ance under any program under the National Hous-

1 ing Act may not be increased above the premium
2 amounts in effect under such program on October 1,
3 2006, unless the Secretary of Housing and Urban
4 Development determines that, absent such increase,
5 insurance of additional mortgages under such pro-
6 gram would, under the Federal Credit Reform Act
7 of 1990, require the appropriation of new budget au-
8 thority to cover the costs (as such term is defined
9 in section 502 of the Federal Credit Reform Act of
10 1990 (2 U.S.C. 661a) of such insurance; and

11 (2) a premium increase pursuant to paragraph
12 (1) may be made only by rule making in accordance
13 with the procedures under section 553 of title 5,
14 United States Code (notwithstanding subsections
15 (a)(2), (b)(B), and (d)(3) of such section).

Page 10, strike lines 19 through 21 and insert the
following:

16 “(1) for each participating local jurisdiction
17 having a formula amount of less than \$750,000, the
18 allocation shall be \$0, except that if the Secretary
19 finds that the jurisdiction has demonstrated a capac-
20 ity to carry out provisions of this subtitle and the
21 State in which such jurisdiction is located has au-
22 thorized the Secretary to transfer to the jurisdiction
23 a portion of the State’s allocation that is equal to or

1 greater than the difference between the jurisdiction's
2 formula amount and \$750,000, or the State or juris-
3 diction has made available such an amount from the
4 State's or jurisdiction's own sources available for use
5 by the jurisdiction in accordance with this subtitle,
6 the jurisdiction's allocation for a fiscal year shall be
7 the formula amount for the jurisdiction; and".

Page 10, line 22, before "the allocation" insert the following: "in the case of any jurisdiction whose allocation is \$0 by operation of paragraph (1),".

Page 11, line 23, strike "one dollar for every two dollars" and insert "12.5 percent".

Page 12, line 8, strike "one dollar for every dollar" and insert "25 percent".

Page 13, after line 24, insert the following:

8 “(5) WAIVER FOR DISASTER AREAS.—In the
9 case of any area that is subject to a declaration by
10 the President of a major disaster or emergency
11 under the Robert T. Stafford Disaster Relief and
12 Emergency Assistance Act (42 U.S.C. 5121), the
13 Secretary shall, for the fiscal year following such
14 declaration, waive the requirement under paragraph
15 (1) with respect to any eligible activities to be car-
16 ried out in such area.”.

Page 23, after line 25, insert the following:

- 1 A grantee may allocate a portion of funds under this sec-
- 2 tion for use by such grantee for eligible activities pursuant
- 3 to the selection process under subparagraph (A).

Page 26, line 9, strike “and a faith-based organiza-
tion” and insert “a faith-based organization, a commu-
nity development financial institution, a community devel-
opment corporation, and a State or local housing trust
fund”.